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January 6, 2010

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 - 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation, *International Comparison and Consumer Survey Requirements in the Broadband Data Improvement Act,* GN Docket No. 09-47; *A National Broadband Plan for our Future,* GN Docket 09-51; *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act, A National Broadband Plan for Our Future,* GN Docket No. 09-137

Dear Ms. Dortch:

At the request of David Isenburg of the staff working on the National Broadband Plan, the Fiber-to-the-Home Council is submitting the attached October, 2009 study (*Review of Current U.S. FTTH Landscape)* by RVA LLC, a market research and consulting firm, on fiber-to-the-home deployments. Should you have any questions about this study, please contact me.

Sincerely,

Thomas Cohen

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Attachment: *Review of Current U.S. FTTH Landscape*, October, 2009, RVA LLC

cc: David Isenburg

Review Of Current U.S. FTTH Landscape

As Of October, 2009

RVA LLC
Market Research & Consulting

FTTH Segment Analysis

Advanced FTTH ILEC Areas (covered by Verizon and most Tier 3 rural ILECs)

Approximately 31 million households* (over ¼ of US households)
(*reduced by potential sale from Verizon to Frontier)

Approximately 15.8 million households in these areas have been passed with FTTH (over 50%). Growth continues with heavy overbuilding occurring. FTTH product offerings by the incumbents are robust – with constantly increasing broadband speeds and good video offerings. Competition is healthy with MSOs improving technologies and increasing speeds in response to aggressive ILECS (especially in urban areas).

FTTH Segment Analysis (Continued)

- Other ILEC Areas (areas covered by AT&T, Qwest and many Tier 2 ILECs)

  Approximately 84 million households (nearly ¾ of US households).

Just 1.47 million households have been passed with FTTH (Less than 2%).

Only about 0.43 million homes have been passed by these other ILECS with FTTH – mostly in new greenfield developments. FTTH is being used as a future hedge and is sometimes available, but not promoted and speeds offered are sometimes limited. Incumbents in these areas will likely see increasing competition from cable broadband, which is generally 2-3 times faster than current broadband offerings (based on RVA consumer speed test surveys). MSOs are starting to install FTTH in greenfields in limited areas.

Approximately 1.04 million homes have been passed with FTTH by competitive providers in these areas (0.66 private and 0.38 public). These FTTH deployments are competing well, with good take-rates.

FTTH deployments could accelerate in these areas with the proper government incentives, including tax credits or tax-credit bonds targeted at FTTH.

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Competitive FTTH Provider Types

- Private Competitive Providers
  - There are currently over 100 private competitive FTTH providers in the U.S.
  - Competitive Divisions Of ILECs
    - Many ILECs have often expanded their territories into neighboring areas as a CLEC. Several Tier 3 ILECs have done this and Verizon has done so in very limited areas.
  - Stand-alone Private Competitive Providers (facilities based)
    - There are numerous examples of separate, private facilities-based competitive FTTH providers. Examples include:
      - Cinergy Metronet www.cinergymetronet.com
      - Citylink www.citylinkfiber.com
      - Lisco www.lisco.com
      - Surewest www.surewest.com
      - US Sonet www.USSonet.com
- Public Competitive Providers
    - There are currently over 50 public competitive providers in the U.S.

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Private Competitive Provider Success

- Competitive FTTH providers have been successful. Cases of private competitive take-rates exceeding 80% have been recorded. On average, retail competitive providers in non metro areas average 50% (see following chart). Take-rates in metro areas with strong telecom and cable competition have been lower – but the business case is still viable (i.e. Surewest in Sacramento and Kansas City).

- Many competitive providers have attempted to expand more rapidly, but have been constrained by the ability to obtain financing and other factors. Again, government incentives making it easier to access capital would accelerate deployments.

- According to NTCA surveys of ILEC and CLEC providers in very rural areas (where 67% of NTCA members have under 10 homes per square mile), *"Competition in broadband is becoming more prevalent and more varied: 89% of survey respondents indicated that they face competition from at least one other service provider in some portion of their service area. The typical respondent competes with one national ISP, two wireless Internet service providers (WISPs), and one cable company. Other competitors mentioned include electric utilities, local ISPs, and neighboring cooperatives."* www.ntca.org

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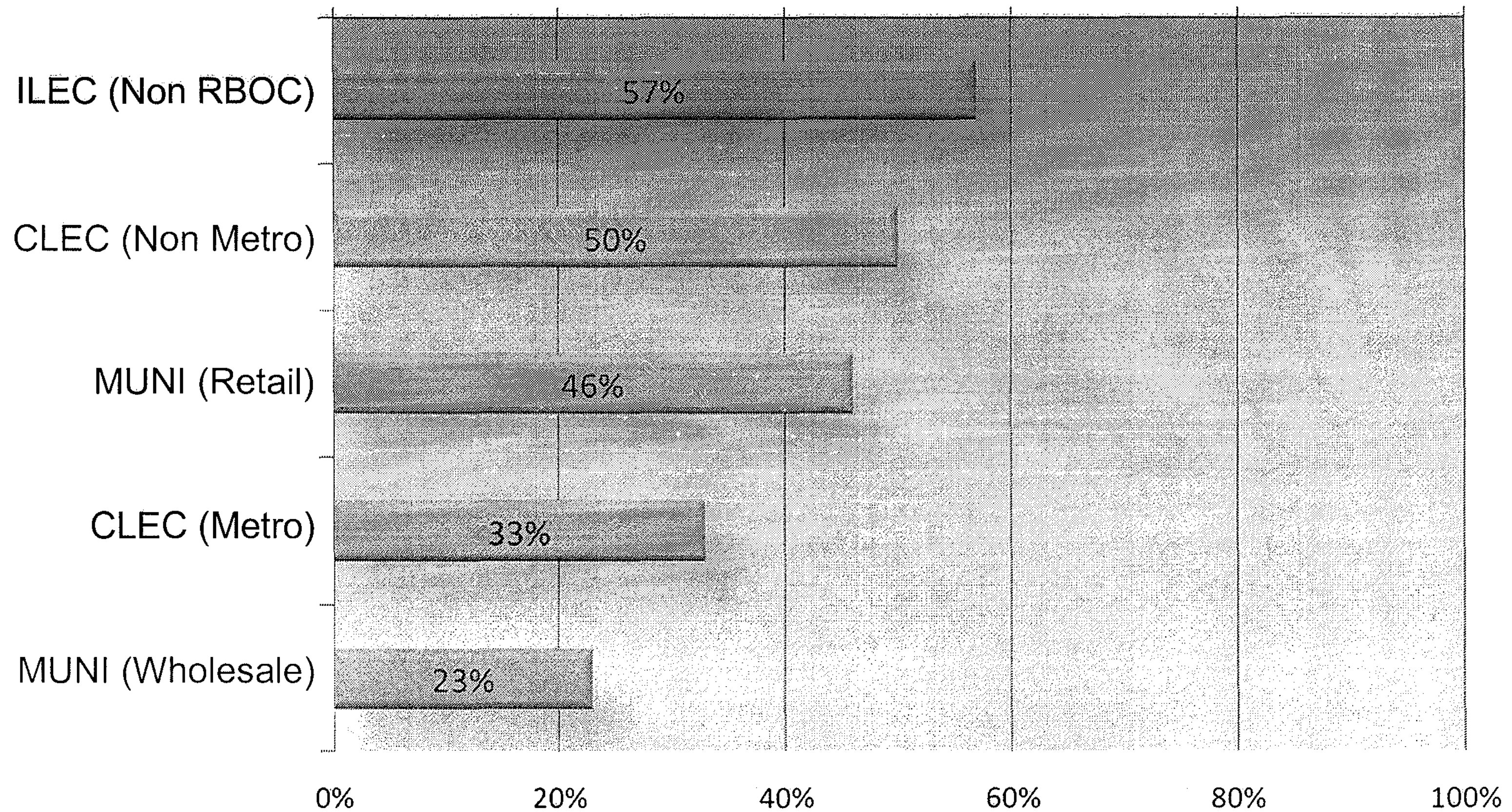
Total Current FTTH Take-Rates



Note: Take-rates for stable systems after 3 years are higher

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